

AIDS Related Costs and Expenditures in New York State

Total Expenditures

Annual HIV / AIDS expenditures in New York State were \$2.25 billion in 1994. These costs are paid for primarily by the federal government, state and local governments, and private health insurance.

Personal service expenditures, for the treatment and social support of persons with AIDS, were by far the largest component of total costs, accounting for more than \$1.9 billion or 86 percent of total expenditures. Research (\$130 million) comprises 42 percent of other AIDS / HIV-related costs referred to here as public health expenditures. Prevention and training efforts accounted for about \$78 million, or 25 percent of AIDS-related public health expenditures. HIV testing and counseling (\$55 million) represented 18 percent.

Since 1987, total HIV / AIDS expenditures in the state have increased more than 304 percent, rising from \$557 million to \$2.25 billion. During the period, personal service expenses grew from \$467 million to \$1.9 billion. Public health expenditures rose from \$90 million to \$306 million.

Medical Care Expenditures

The medical treatment costs of HIV / AIDS patients in 1994

exceeded \$1.6 billion. These costs encompass the full spectrum of health services including inpatient and outpatient care, residential long term care, home health care and AIDS-related drugs.

Hospital inpatient care consumed the major share of AIDS medical treatment costs, representing 67 percent or \$1.1 billion. The average cost per hospital stay in 1994 was \$16,757, up from \$16,083 the prior year. Outpatient care (\$198 million) accounted for 12 percent of medical care costs. Payments for AZT and other medications amounted to \$160 million, or about 10 percent of medical care costs.

Medical services for HIV / AIDS patients are paid for by private health insurance, and by federal, state and local government Medicaid participation.

State Agency Expenditures

New York State agency expenditures for AIDS-related programs and services rose to \$587 million, up from \$438 million the prior year. State funds support medical treatment for persons with AIDS including HIV counseling and testing, substance abuse treatment and mental health services. The state also funds a statewide network of

community-based organizations that offer AIDS education and risk reduction programs and social support services for persons with HIV infection and their family members. Housing assistance and other social services are also provided by the state.

Because many persons who require treatment for AIDS depend upon Medicaid to cover their expenses, the State Department of Social Services (DSS), which administers Medicaid, was allocated the largest portion of the state's budgeted funds. DSS funding accounted for \$394.1 million in the 1994-95 fiscal year, or 70 percent of state AIDS-related funding. The State Department of Health was allocated \$102.3 million, or 18 percent of the total, to fund HIV counseling and testing and to support community-based services. Another \$28.2 million (5%) was allocated to four state agencies on behalf of AIDS patients requiring mental health, alcoholism or substance abuse services.

Federal and Local Expenditures

In 1994, the federal government, the City of New York and other municipalities accounted for about half of total AIDS expenditures in New York State. Local government funding (\$587

million) represented 26 percent of total expenditures, and federal funds (\$736 million) comprised 33 percent. Federal funding primarily constitutes a 37 percent share of Medicaid costs, sponsorship of research efforts within the state, and Centers for Disease Control and Prevention grants for HIV testing, counseling, education and training.

HIV Uninsured Care Programs

The AIDS Drug Assistance Program (ADAP) experienced a 17.7 percent increase in prescriptions and a 14.7 percent increase in expenditures in 1994 over 1993. The ADAP formulary was expanded from 64 to 187 medications during the year, with the inclusion of antibiotics, analgesics and psychotropics on August 1, 1994. This expansion contributed to a decrease in the average cost of a prescription from \$176 in 1993 to \$172 in 1993. ADAP Plus, the program that provides

ambulatory care for uninsured HIV-infected persons, experienced a 151 percent increase in expenditures, with a doubling of medical care visits over 1993. Home care also had a major increase (144%) in expenditures compared to 1993.

Medicaid AIDS Expenditures

Medicaid has become a major source of payment for AIDS-related care. Medicaid expenditures for patients with AIDS-related illness grew from \$31 million in 1984 to \$1,083 million in 1993. The 1994 total Medicaid expenditure for HIV / AIDS is expected to be \$1.14 billion, a 6 percent increase over the preceding year. In 1993, 40,351 persons with HIV / AIDS received medical treatment through Medicaid, at an average per patient cost of \$26,800.

Medicaid data confirm that hospital inpatient care is the

single most expensive component of care for AIDS patients, accounting for 69 percent of all Medicaid expenditures. Hospital inpatient care is also the most common medical service provided to these patients; 56 percent of all Medicaid recipients with HIV-related illness in 1993 had at least one hospital stay.

Over the course of their illness, the average per patient cost of treating Medicaid HIV / AIDS patients is \$94,452. Those who are intravenous drug users incur substantially higher medical expenses, with lifetime costs of \$108,919 per person. Data from Medicaid records indicate that while most medical costs are incurred during the later stages of the illness, 10 percent of lifetime costs (\$9,518 average) are incurred before the patient reaches full-blown AIDS.

Estimated Total AIDS Expenditures

New York State, 1993 and 1994

	1993	1994
Personal Expenditures		
Medical Treatment	\$1,305,042,202	\$1,638,635,738*
Medical Support	55,169,838	62,633,635
Social Services	179,922,980	245,054,487
Total Personal Services Expenditures	1,540,135,020	1,946,323,860
Public Health Expenditures		
Prevention, Education, Training	65,166,419	77,802,866
HIV Testing: Individuals, Blood		
Supply, Tissues; Counseling	47,477,083	54,947,799
Epidemiology, Surveillance	15,129,705	17,430,332
Research	111,378,216	129,666,756
Administration, Planning, Regulation	16,826,953	26,265,295
Total Public Health Expenditures	255,978,376	306,113,048
Total Expenditures[†]	\$1,796,113,396	\$2,252,436,908

* The methodology for estimating medical treatment expenditures has been modified this year. These changes increase this estimate by about 7% over what the estimate might have been without them. See page 139.

† Minimum estimate based only on known governmental and private AIDS expenditures. Total expenditures for social services, prevention, education and research are unknown.

Estimated Total AIDS Expenditures by Funding Source New York State, 1994

	Federal	State	Local*	Other	Total
Personal Expenditures					
Medical Treatment†					
Inpatient	\$267,509,925	\$256,232,753	\$225,274,901	\$355,294,327	\$1,104,311,906
Outpatient	75,007,356	38,687,624	29,304,370	54,587,676	197,587,026
Long Term Care	35,342,924	32,599,946	27,726,521	(Unknown)	95,669,391
Home Care	42,611,473	32,014,791	1,684,001	5,106,225	81,416,490
AZT, Other Medications	40,853,718	22,653,972	15,192,155	80,951,080	159,650,925
Total Medical Treatment	461,325,396	382,189,086	299,181,948	495,939,308	1,638,635,738
Medical Support	17,944,417	40,937,218	3,752,000	(Unknown)	62,633,635
Social Services	53,151,911	99,153,576	92,749,000	(Unknown)	245,054,487
Total Personal Expenditures	532,421,724	522,279,880	395,682,948	495,939,308	1,946,323,860
Public Health Expenditures					
Prevention, Education, Training	25,874,993	31,778,873	20,149,000	(Unknown)	77,802,866
HIV Testing: Individuals, Blood					
Supply, Tissues; Counseling	16,674,050	24,933,749	13,340,000	(Unknown)	54,947,799
Epidemiology, Surveillance	15,049,090	924,242	1,457,000	(Unknown)	17,430,332
Administration, Planning, Regulation	18,737,857	5,245,438	2,282,000	(Unknown)	26,265,295
Research	127,657,168	1,632,588	377,000	(Unknown)	129,666,756
Total Public Health Expenditures	203,993,158	64,514,890	37,605,000	(Unknown)	306,113,048
Total Expenditures‡	\$736,414,882	\$586,794,770	\$433,287,948	\$495,939,308	\$2,252,436,908
Percent of Total	33	26	19	22	100

* Includes some, but not all, expenditures by local governments other than New York City.

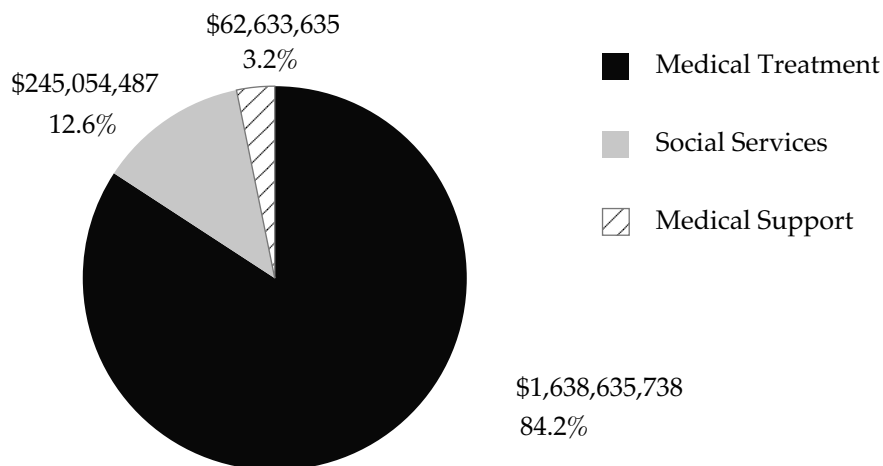
† The methodology for estimating the total of several medical treatment categories was revised this year.

‡ Minimum estimate based on known governmental and private AIDS expenditures. Private expenditures for social services, prevention, education and research are unknown.

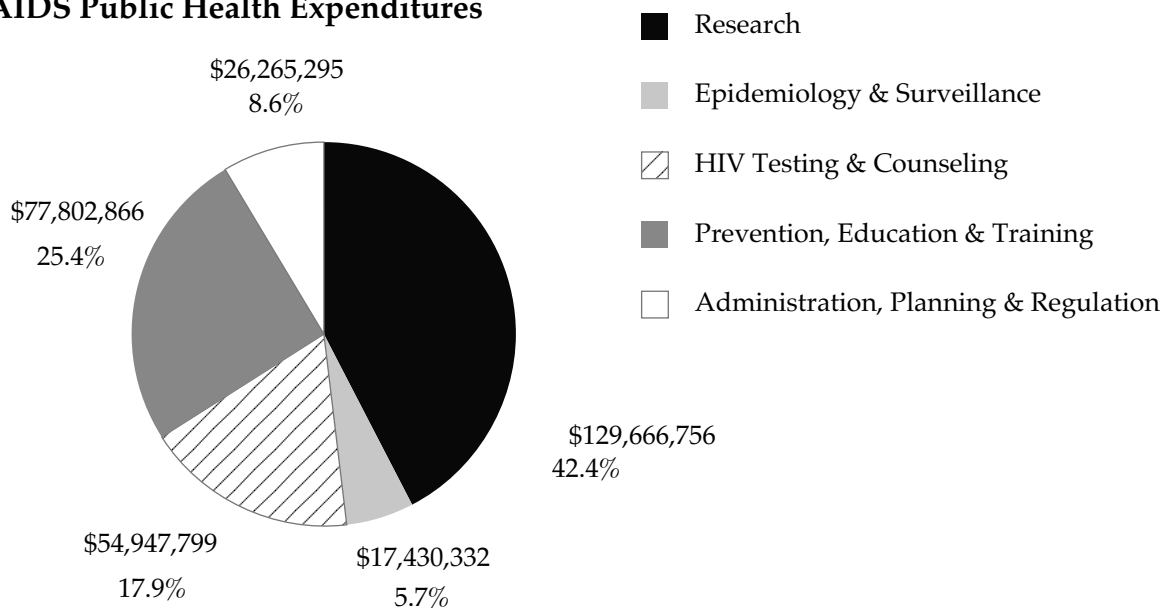
Estimated Total AIDS Expenditures (State, Federal, Local, Private)

New York State, 1994

AIDS Personal Services Expenditures



AIDS Public Health Expenditures



Estimated Annual AIDS Expenditures by Type

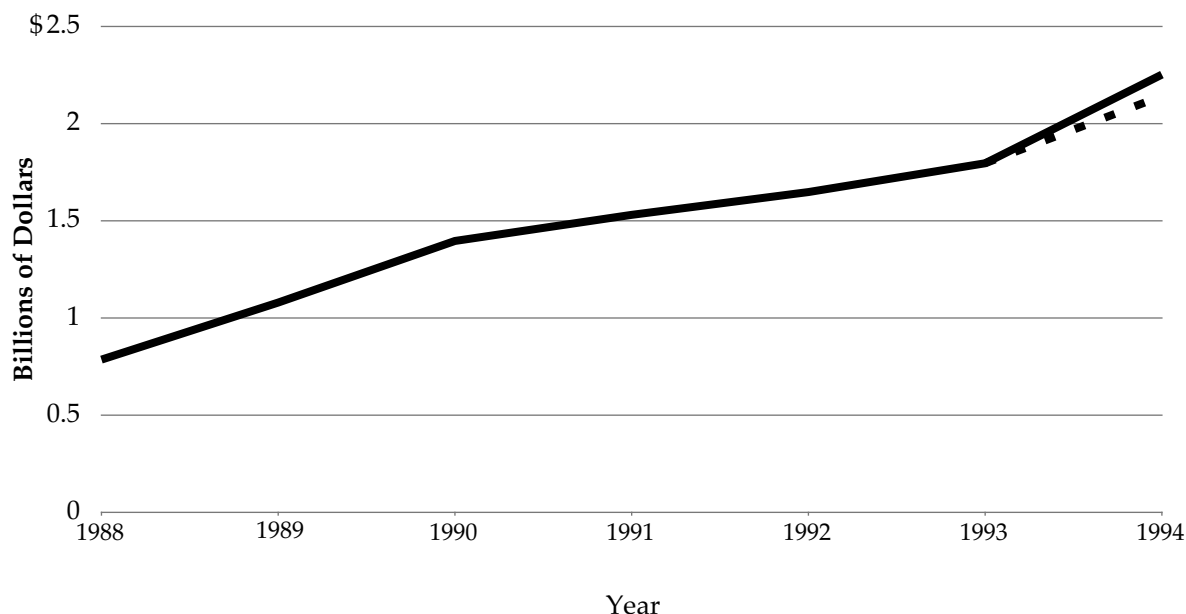
New York State, 1988 - 1994

Year	Personal Services Expenditures		Public Health Expenditures		Total
	Amount	% of Total	Amount	% of Total	
1988	\$ 647,851,483	82	\$137,968,471	18	\$ 785,819,954
1989	865,719,572	80	213,701,493	20	1,079,421,065
1990	1,129,217,220	81	267,129,414	19	1,396,346,634
1991	1,291,918,596	84	238,778,518	16	1,530,697,114
1992	1,406,501,864	85	241,450,873	15	1,647,952,737
1993	1,540,135,019	86	255,978,376	14	1,796,113,395
1994	1,946,323,860	86	306,113,048	14	2,252,436,908

Estimated Annual AIDS Expenditures

New York State, 1988 - 1994

Total AIDS Spending



The methodology for estimating total AIDS expenditures has changed in two ways this year. In January 1993 CDC changed the definition of AIDS; this resulted in a change in data and thus in the methodology for estimating the number of AIDS hospital discharges. In addition, the methodology for estimating spending in medical service categories has changed. Medical service spending is estimated by multiplying estimated volume by estimated fee per service within each category. The change is to add the funding for several non-fee-per-service programs to these totals. This can be seen in the table AIDS Medical Care Costs on page 141.

These changes increase the estimate of AIDS spending by about 5% over what the estimate might have been without them. Each of the two changes account for about half of this increase. The solid line in the chart above is the estimate of AIDS expenditures. The dotted line represents an estimate of the trend had the new methodologies not been applied.

Designated AIDS Funding by State Agency*

New York State, Fiscal Years 1994 - 95 and 1995 - 96

	(Millions of Dollars)	
	State Fiscal Year	
New York State Agency	1994-95	1995-96
Social Services – Medicaid	\$329.0	\$335.0
Social Services – Other	65.1	73.9
Department of Health	102.3	102.3
Substance Abuse Services, Alcoholism, Mental Health and Retardation	28.2	26.0
Department of Corrections	33.8	40.3
State Education Department	1.0	1.0
Division of Human Rights	0.1	0.2
Total	\$559.5	\$578.7

* Does not include indirect costs of AIDS to state agencies.

AIDS Medical Care Costs

New York State, 1994

Medical Care	Unit Cost	1994 Volume	Fee-for-Service Expenditures	Non-Fee-for-Service Programs	Total Expenditures
Acute and Ambulatory Care					
Inpatient* (Discharges)	\$16,756.88	65,902	\$1,104,311,906	\$ 0	\$1,104,311,906
Outpatient (Visits)	145.01	1,063,392	154,202,474	43,384,552	197,587,026
Long Term Care					
Nursing Facility (Days)	433.30	210,703	91,297,610	1,418,200	92,715,810
Hospice (Stays)	5,919.00	499	2,953,581	0	2,953,581
Home Health Care					
Skilled Nursing (Visits)	107.37	144,411	15,505,409	1,305,881	16,811,290
Home Health Aides (Hours)	16.11	3,318,498	53,461,003	4,502,539	57,963,542
Personal Care (Hours)	18.30	334,740	6,125,742	515,916	6,641,658
AZT and Other AIDS-related					
Drugs (Patients)	2,395.00	64,335	154,082,325	5,568,600	159,650,925
Total					\$1,638,635,738

* Includes Designated AIDS Center hospitals.

Annual Medicaid Expenditures for Persons With AIDS

New York State, Federal Fiscal Years 1984 - 1993

Year	Recipients*	Expenditures
1984	1,913	\$ 31,135,005
1985	3,724	61,417,344
1986	6,649	117,283,095
1987	9,171	161,657,766
1988	14,170	322,886,432
1989	18,609	387,079,358
1990	25,869	568,749,815
1991	35,583	823,557,059
1992	36,755	908,341,410
1993	40,351	\$1,082,851,779

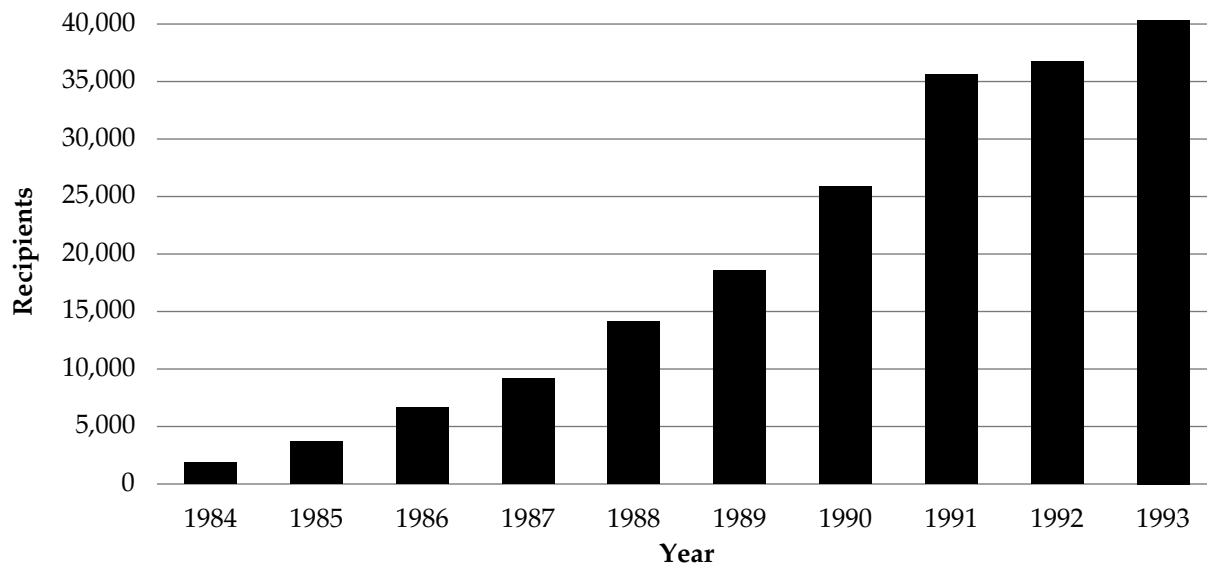
* Recipients are persons with HIV / AIDS who received medical services through the Medicaid Program during the given year.

Source: New York State Department of Social Services, Medicaid AIDS Longitudinal File

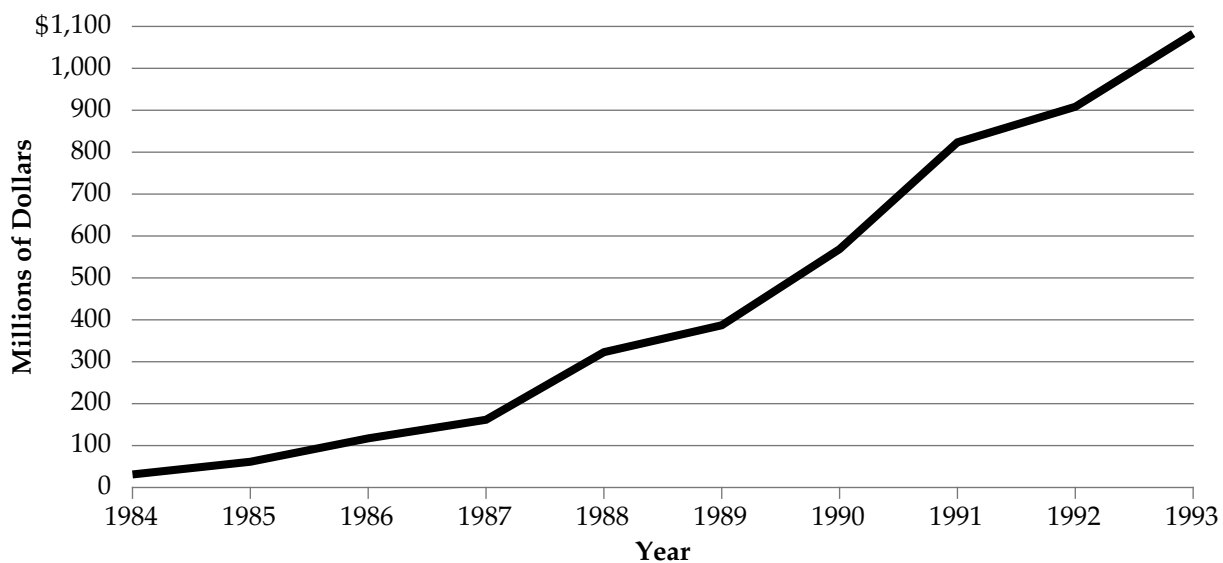
Annual Medicaid Expenditures for Persons With AIDS

New York State, Federal Fiscal Years 1984 - 1993

AIDS Medicaid Recipients



Medicaid Expenditures for Persons With AIDS



Source: New York State Department of Social Services, Medicaid AIDS Longitudinal File

Medicaid Expenditures for Persons With AIDS

New York State, Federal Fiscal Year 1993

	Total	Average Per Eligible Month	Average Per Recipient*	Average Months of Eligibility†
Recipient Category				
Total	\$1,082,851,779	\$2,579	\$26,836	10.2
Male Adult	669,829,978	2,970	29,962	9.9
Female Adult	353,188,374	2,257	24,188	10.6
Pediatric (0-12)	58,665,280	1,551	17,398	11.0
Drug Users	626,312,465	2,992	31,773	10.4

	Total	Number of Recipients*	Average Per Recipient*
Service Category			
Total	\$1,082,851,779	40,351	\$26,836
Inpatient	751,727,631	22,775	33,007
Outpatient Dept.	45,461,211	28,534	1,593
Emergency Room§	4,858,382	17,910	271
Freestanding Clinic	24,130,962	13,870	1,740
Physician	12,209,838	29,988	407
Pharmacy	76,130,091	33,919	2,244
AZT‡	13,398,685	17,001	788
Institutional Long Term Care	66,085,463	1,330	49,688
Home Health Care/Long Term Home Health Care	57,012,620	5,673	10,050
Personal Care	6,917,020	1,046	6,613
Laboratory	842,631	12,964	65
Other	42,334,312		

* Recipients are persons with HIV / AIDS who received medical services through the Medicaid Program during FFY 1993.

† Number of months enrolled in Medicaid during 1993.

‡ The totals for AZT are included in the Pharmacy totals.

§ The totals for Emergency Room are included in the Outpatient Department totals.

Source: New York State Department of Social Services, Medicaid AIDS Longitudinal File

Estimated Lifetime HIV-Related Costs for Medicaid Eligibles With AIDS Onset* in 1993

New York State

	Pre-Onset [†] Medical Costs	Post-Onset [‡] Medical Costs	Total Medical Costs
Total	\$ 9,518	\$84,934	\$94,452
Adult Male	9,666	83,125	92,791
Adult Female	10,479	90,740	101,219
Pediatric (0-12)	4,179	71,336	75,515
Drug Users	14,161	94,758	108,919

* Onset defined as first appearance of definitive AIDS-related diagnosis.

† Actual costs; average pre-onset period was 20 months. May include some non-HIV-related costs.

‡ Projected costs from onset to death, based on 1990 onset population and adjusted for inflation and utilization changes.

Source: New York State Department of Social Services, Medicaid AIDS Longitudinal File

HIV Uninsured Care Programs

AIDS Drug Assistance Program (ADAP), ADAP Plus, HIV Home Care Services and Expenditures by Program and Type

New York State, 1994

ADAP	Prescriptions	Expenditures	Average Cost
Drug Type			
Anti-Retrovirals	30,766	\$5,496,226	\$178.65
PCP Prophylaxis & Treatment	26,243	1,042,048	39.71
Treatment of Neoplasms	2,108	637,536	302.44
Treatment of Opportunistic Infections	64,184	14,987,052	233.50
Antibiotics	1,924	103,085	53.58
Analgesics	1,810	58,053	32.07
Psychotropics	3,518	135,010	38.38
Total	130,553	\$22,459,010	\$172.03
ADAP PLUS			
Provider and Service Type	Visits	Expenditures	Average Cost
Comprehensive HIV Evaluation	981	\$402,283	\$410.07
HIV Disease Monitoring	2,052	428,994	209.06
Follow-Up Intermediate	1,757	450,854	256.60
Follow-Up Routine	5,695	619,051	108.70
Drug Immunotherapy	633	81,679	129.03
Infusion - Blood	45	15,993	355.40
Clinic Visits	16,571	1,510,524	91.15
Physician Visits	1,160	58,350	50.30
Ambulatory Surgery	20	11,659	582.95
Dental	3,008	302,727	100.64
Mental Health	1,178	112,799	95.75
Nutrition	44	2,520	57.27
Directly Observed Therapy - TB	220	20,114	91.43
Total Visits	33,364	\$4,017,547	\$120.42
Lab & Ancillary (Units)	814	6,782	8.33
Vitamins & Supplements (Units)	21,517	714,497	33.21
Total Units	22,331	721,279	32.30
Total All ADAP Plus Services	55,695	\$4,738,826	\$85.09
Home Care			
Type of Service	Service Days	Expenditures	Average Cost
Home Health Aide (Days)	27,583	\$4,183,342	\$151.66
Homemaker Service (Days)	203	28,494	140.37
Personal Care Aide (Days)	5,000	687,997	137.60
Skilled Nursing (Visits)	8,001	655,917	81.98
Durable Medical Equipment (Units)	2,822	142,627	50.54
Total	43,609	\$5,698,377	\$130.67
Total All Programs	229,857	\$32,896,213	\$143.12

Data incomplete due to billing lags – claims paid as of 3/2/95.